



**Property Casualty Insurers
Association of America**

Shaping the Future of American Insurance

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Ann Weber
Vice President, Regional
Manager and Counsel

May 29, 2007

The Honorable Barbara Farrah
Lansing Office Mailing Address
N0692 House Office Building
P.O. Box 30014
Lansing, MI 48909-7514

Dear Representative Farrah:

House Bill 4749 would virtually repeal Michigan's motorcycle helmet law. Proponents of the measure have made individual choice the foundation of their argument against the helmet law.

This choice has a significant impact on all drivers in the state. The Michigan Catastrophic Claims Association (MCCA) is completely funded by a surcharge on every auto insurance policy in the state. Motorcycle policies account for only 1.7 percent funding for the MCCA; however, 6.7% of claims reported to the MCCA are motorcycle claims!

Since its inception in 1978, MCCA has reimbursed member insurers more than \$210 million for 503 motorcycle injury claims exceeding the threshold. Total reimbursement for all claims exceeds \$4.4 billion. If the mandatory helmet law is repealed, serious injuries to motorcyclists will rise. It is a fact that motorcycle deaths and injuries increased after the repeal of mandatory helmet laws in Florida (+81), Kentucky (+58) and Louisiana (+108).

Since Michigan's no-fault law allows lifetime benefits for all "reasonable and necessary" medical costs, the number of claims and the amount paid by the MCCA to reimburse insurance companies will increase, causing all policyholders in Michigan to pay more.

Individuals that decide not to wear a helmet should be responsible for their own medical coverage rather than be subsidized by other Michigan drivers.

Sincerely,

Ann M. Weber
PCI Vice President, Regional Manager and Counsel